

States a choice. States retain their traditional authority over auto insurance regulation and can accept or reject Auto Choice. Because it respects States' rights, Auto Choice has by called a "model of federalism."

Mr. Speaker, Auto Choice protects consumers' wallets, ensures compensation for victims, respects States' rights, and gives drivers a choice when and where to buy their auto insurance.

I am proud to sponsor this important bipartisan initiative and look forward to its passage in the 106th Congress.

Mr. Speaker, I include the following statement for the RECORD:

The Auto Choice Reform Act will go far toward taking needless litigation costs out of our auto insurance system. It will save consumers billions of dollars annually, while ensuring speedier recovery of medical bills, lost wages, and other economic damages. By encouraging states to eliminate the middle-man—trial lawyers who add significant costs to the system—the Auto Choice Reform Act will produce significant savings while also fully protecting injured motorists' right to recover.

When injured parties are involved in a car accident under the tort system, legal fault must be established to recover money for economic damages. This is not an easy task, and often requires the parties involved to hire lawyers and go to court. It is a costly and tedious process, and can take up to 16 months for adjudication, and longer when the injury is serious. The delay in payment puts pressure on the seriously injured, particularly the poor, to settle their claims for less than they are worth.

The determination of legal fault is no guarantee that an injured person will receive equitable compensation. People with economic losses up to \$5,000 recover two and three times their losses, while a victim with medical expenses and lost wages between \$25,000 and \$100,000, recovers on average only half of those losses. For people with catastrophic injuries and losses over \$100,000 recovery drops to nine percent on average. There are two main reasons for this: First, insurance companies find it more cost-efficient to settle small nuisance claims for more than they are actually worth to avoid expensive litigation costs. Second, seriously injured accident victims recover just a small percentage of their damages because their losses typically exceed the other driver's policy limits.

The Auto Choice Reform Act gives drivers a less expensive, more efficient alternative to this process. It allows victims to bypass the litigation maze and guarantees more just compensation, helps to prevent fraudulent claims, and provides the possibility of tremendous savings for American auto insurance consumers. A few of the benefits of the Auto Choice Reform Act are highlighted below:

**Flexible Choice.** Under the Auto Choice Reform Act, drivers can choose the form of auto insurance they believe is best for them and their families. One route would be for drivers to choose a policy similar to that now available in their state, either tort or no-fault insurance. Another route would be to choose the new PIP option.

**Prompt Payment.** The new choice, called personal insurance protection (PIP), would pay

the injured person within 30 days for medical bills and lost wages, regardless of fault. The victim could also recover compensation from the at-fault driver for any additional medical bills and lost wages above the victim's policy limits.

**Better Compensation for Serious Injuries.** Under both systems, parties could make a claim against at-fault drivers for medical bills and lost wages in excess of their own insurance. In such situations, because injured persons could recover from both their own coverage and the at-fault driver's coverage, people would receive more compensation for serious injuries. Additionally, drivers in either system would be able to seek both economic damages and pain and suffering from drivers who operate a vehicle while under the influence of alcohol or illegal drugs, or engage in intentional misconduct.

**Less Fraud.** Because people who choose the new PIP option could neither sue nor be sued for pain and suffering, most of the incentives for fraud would disappear. As a result, for those who choose PIP, compensation for economic losses would increase dramatically, while dollars paid for fraud, pain and suffering and unnecessary attorneys' fees would plummet.

**Savings.** A March 1998 Joint Economic Committee study estimates the savings at about 45 percent on average for personal injury premiums, which translates into about 24 percent of overall premiums, or about \$184 per year, per car for the typical American driver. The JEC also found that low-income drivers would see higher savings—about 36 percent on their overall premiums.

In addition, Auto Choice promotes federalism. It gives states the option to not extend the first-party liability coverage option to their residents by passing a law precluding such a system. Regardless of whether states choose to subscribe to the bill's insurance choice system, they will maintain their current regulation authority over all aspects of auto insurance.

Finally, it is important to note what Auto Choice will not do. Auto Choice will not abolish lawsuits or eliminate the concept of legal fault. Drivers who chose to remain in the current tort system will still be able to recover for both economic and noneconomic losses. Those who choose to enter the new system can still sue for any uncompensated economic loss. And, victims of drunken or other negligent driving may sue for both economic and noneconomic losses.

Given these significant benefits to consumers, the Auto Choice Reform Act enjoys bipartisan political support—from Rudy Giuliani to former Massachusetts governor Michael Dukakis. It is endorsed by the U.S. Chamber of Commerce; consumer advocate Andrew Tobias; Citizens for a Sound Economy; and taxpayer advocate Grover Norquist.

My colleague, Mr. MORAN, and I hope that others will consider joining in our ongoing effort to find ways to help hard-working Americans to save more of the money they earn.

April 20, 1999.

DEAR COLLEAGUE: On Tuesday, April 20, 1999, I introduced the Auto Choice Reform Act of 1999. The Monday, April 19, 1999 edition of the Washington Times carried an op-

ed by Robert R. Detlefsen of Citizens for a Sound Economy (CSE) which outlines the philosophy behind Auto Choice—ridding our nation's courts system of frivolous lawsuits and helping car insurance consumers achieve lower annual premiums. I commend this article to you as yet another way that we can help American families and consumers keep more of what they earn for themselves.

Sincerely,

DICK ARMEY,  
Member of Congress.

#### TRAINING EXERCISE IN VIEQUES KILLS DAVID SANET RODRIGUEZ AND INJURES FOUR OTHERS

(Mr. ROMERO-BARCELO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROMERO-BARCELO. Mr. Speaker, I rise this afternoon with very sad news indeed.

Yesterday, during a training exercise in Vieques, Puerto Rico, two U.S. F-18's dropped bombs that exploded 65 feet from an observation post in Camp Garcia, which is a Navy facility, and killed Mr. David Sanet Rodriguez, a civilian employee of the Navy, and injured four others.

I am saddened by this most unfortunate and tragic error, and I want to convey my deepest sympathy to the family of Mr. Sanet Rodriguez and the Navy employees that were injured.

The need to defend our democracy has required many personal sacrifices for the people of Vieques throughout the past 30 years. The bomb yesterday was off target, although still within the military base, but who can guarantee that sometime in the future it will not be off target in the inhabited part of Vieques?

Because my biggest concern is for the safety, security and welfare of the 8,500 American citizens residing in Vieques, I join the Governor of Puerto Rico in calling for an order to cease all bombing and military maneuvers in Vieques until a thorough investigation is conducted and until it can be guaranteed that there are no future risks to the residents of Vieques.

Mr. Speaker—I rise this afternoon with very sad news indeed. Yesterday, during a training exercise in Vieques, Puerto Rico, two U.S. F-18's from the U.S. Navy dropped bombs that exploded 65 feet from an observation post in Camp Garcia, which is a Navy facility in Vieques, and killed Mr. David Sanes Rodriguez, a civilian employee of the Navy and injured four other Navy employees.

I am saddened by this most unfortunate and tragic error and want to convey my deepest sympathy to the family of Mr. Sanes and the Navy employees that were injured. Our prayers and blessings at this trying time are with them and their families.

This military accident is a tragedy. Vieques has held an important role in the defense readiness of our armed forces, and the maneuvers being carried out during this week involve the USS John F. Kennedy battle group

as the force prepares for deployment in Operation Southern Watch ongoing in Southern Iraq in the Gulf War.

The ability to defend our American democracy effectively has entailed many personal sacrifices and I want to express my support at this critical time to the people of Vieques who have sacrificed throughout the past 30 years in support of our armed forces. The bomb was off target in military soil yesterday, but who can guarantee that sometime in the future it will not be off target in the inhabited part of Vieques.

Because my biggest concern is for the safety, security and welfare of the 8,500 American citizens residing in Vieques, I join the Governor of Puerto Rico in calling on President Bill Clinton, Secretary of Defense Cohen and Navy Secretary Richard Danzig to cease all bombing and military maneuvers until a thorough investigation is conducted and until it can be guaranteed that there are no future risks to the population of Vieques.

As the 8,500 Puerto Rican-Americans in Vieques have so contributed to our nation's defense readiness, I am hereby calling on the Navy to recognize their contributions and their unwavering support despite the inherent risks. The Navy must make further efforts to look for alternatives to the use of  $\frac{3}{4}$  of Vieques for military exercises, so that Vieques may look forward to a peaceful, safe and prosperous future.

□ 1730

#### SPECIAL ORDERS

The SPEAKER pro tempore (Mr. LAHOOD). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

#### MEDICAL SAVINGS ACCOUNTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

Mr. LIPINSKI. Mr. Speaker, I rise tonight to say a few words about medical savings accounts. Unfortunately, medical savings accounts have fallen victim to partisan political posturing. That is unfortunate because MSAs will insure the uninsured, allow for choice of a doctor, and put the health care decisions in the hands of the individual, not a managed care administrator.

Six years ago, along with a dozen of my Democratic colleagues, I cosponsored legislation to create medical savings accounts. In fact, Democrats were the initial sponsors of MSAs, and MSAs unanimously passed the House Committee on Ways and Means in 1994 during the debate on the Clinton health care plan. However, after the Republicans took over Congress, MSAs became a partisan football that was used to polarize the House of Representatives.

But I want to make medical savings accounts a bipartisan issue once again.

So the gentleman from Texas (Mr. ARCHER) and I have introduced H.R. 614, the Medical Savings Account Efficiency Act of 1999. This bill repeals the 750,000-person cap that was placed on MSAs by the 1996 Kennedy-Kassebaum Health Insurance Act and it makes medical savings accounts permanent, thereby repealing the year 2000 sunset of MSAs.

Repealing the 750,000 cap is significant in that many insurers have been reluctant to offer MSAs because these restrictions limited the size of the market in which MSAs could be offered. Therefore, insurers will mass market MSAs and make millions of Americans aware of the benefits of medical savings accounts.

By opening up MSAs to all Americans, MSAs would encourage savings for health care. By forcing doctors and hospitals to compete for patients who are concerned about quality and cost, health care spending will slow down. Likewise, MSAs will provide a real incentive to shop around for the best values and alternatives when non-emergency treatment is needed. The incentive? Consumers will keep the money they save.

Critics of MSAs claim that this incentive will lead healthy people to choose MSAs, leaving sick people in a separate and therefore more expensive health insurance pool. But while many healthy people will choose to save the money, the sick will also choose MSAs because their out-of-pocket cost will be less.

In addition, MSAs are not just for the wealthy. A GAO study found that one-third of all new MSAs are opened by previously uninsured individuals.

These are additional reasons that MSAs are good for the consumer. Medical savings accounts will reduce administrative overhead, as small bills will be settled and paid directly between provider and consumer. They will also increase the record low savings rates of Americans. Lastly, MSAs provide an incentive to stay healthy. Preventive medicine will be encouraged.

These are the reasons I supported MSAs back in 1994 when I first heard about them, and these are the reasons I support medical savings accounts today. So I say to my colleagues, as we wade into health care reform in the 106th Congress, include medical savings accounts in any health insurance measure that will come out of this Congress because medical savings accounts will cut cost, provide choice, promote healthy lives, and save money for the consumer. Mr. Speaker, that is the epitome of reform.

#### SITUATION IN KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, I have spoken several times over the last few days about the situation in Kosovo. Unfortunately, as a former editor of Foreign Affairs magazine wrote recently in the Washington Times, the President has put us in an impossible situation.

There is no good answer. As Henry Kissinger said, "Ethnic and religious fighting is endemic to the Balkans and has been going on there for hundreds of years." We cannot stop it unless we stay there forever at unbelievable costs to our taxpayers.

Do we mortgage the futures of our children and grandchildren to temporarily make things a little bit better in Kosovo? Everyone agrees that Milosevic is a tyrant. He is a communist dictator. I am certainly not defending him in any way.

In fact, I went to Yugoslavia 2 years ago with the National Defense Council. While in Belgrade, I, along with three other Members of this body, appeared on radio station B-92, which was the main opposition station to Milosevic. But as many columnists and commentators have pointed out, our bombings have basically created the refugee situation and have strengthen Milosevic.

Everyone has tremendous sympathy for the refugees. But several hundred thousand Serbians were forced out of Croatia not long ago. They were victims of ethnic cleansing then, and we did nothing about it. And as many people have pointed out, there are small wars or fighting going on in 30 or 40 different places around this world right now. Several of those situations were far worse than in Kosovo before we started the bombing.

There apparently is little disagreement with the description that the Kosovar Liberation Army is a terrorist organization and one that has been funded primarily by illegal drugs.

On MSNBC this past Saturday night, the question was asked about the refugee crisis, whether it was created by NATO bombs or Serbian troops. Sixty-five percent of the many thousands of callers said NATO bombing was mainly at fault.

NATO is getting ready to hold one of the biggest parties this city has ever seen here this weekend. I believe NATO and our President thought Milosevic would cave after just a few days of bombing and that they could then toast each other in a great victory celebration for the 50th anniversary party of NATO this weekend.

What a miscalculation. That was certainly one of the greatest miscalculations in American history and, unfortunately, one that is costing American taxpayers \$46,000 a minute and many, many, many billions before it is all over.

We are about to be asked to appropriate \$6 billion in emergency funding.